THE CORPORATION OF THE CITY OF PENTICTON

AUDITORS' REPORT

FINANCIAL STATEMENTS - DECEMBER 31, 1986

HACK, COURTICE & CO.

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REEVES AND MAYORS

THE CITY OF PENTICTON

FROM INCORPORATION

REEVES

1909	Alfred H. Wade
1910 - 1911	E. Foley-Bennett
1912	Capt. I. M. Stevens
1913	E. Foley-Bennett
1914 -1916	Robert Scott Conklin
1917	William Alexander McKenzie
1918 - 1919	Frederick Maurice Smith
1920 - 1923	Edward John Chambers
1924 - 1925	James Kirkpatrick
1926 - 1927	Geo. A. M. Macdonald
1928	James Kirkpatrick
1929 - 1931	Geo. A. B. Macdonald
1931 - 1935	Charles E. Oliver
1936	H. B. Morley
1937 - 1940	W. Gordon Wilkins, M.C.
1941 - 1942	R. J. McDougall
1943 - 1944	Robert Lyon
1945	R. J. McDougall
1946 - 1947	Robert Lyon

MAYORS

1948 - 1949	Robert Lyon
1950 - 1953	William A. Rathbun
1954 - 1957	C. Oscar Matson
1957 - 1961	Charles E. Oliver
1962 - 1967	Maurice P. Finnerty
1968 - 1971	F. D. Stuart
1972 - 1975	F. W. Laird
1976 - 1979	K. A. Kenyon
1979 - 1980	J. J. Winkelaar
1980 - 1986	I. C. Messmer
1986	Dorothy Whittaker

DIRECTORY OF COUNCIL AND CITY OFFICIALS - 1986

COUNCIL

MAYOR	I. C. Messmer	
ALDERMEN	D. W. Battison	P. W. Rawkins
	R. Webb	E. J. Lamb
	J. H. Grimaldi	D. Whittaker

CITY OFFICIALS

Clerk/Administrator	G. A. Paul
Treasurer	R. J. Ramsay
Collector	M. L. Raymond
Public Works Manager	I. M. Stout
Electrical Engineer	D. Ericson, P. Eng.
Leisure Services Manager	W. J. Pacholzuk
Chief Inspector	L. LeHeup
Personnel Director	G. English
Fire Chief	B. Hodgins
R.C.M.P. Inspector	A. O. Maguire

CITY AUDITORS.....Hack, Courtice & Co.

CITY SOLICITORS.....Boyle & Company

BANKERS.....The Bank of Montreal

City Council
The Corporation of the City of Penticton
171 Main Street,
Penticton, British Columbia

Your Worship and Members of the Council:

Pursuant to Section 397 of the Municipal Act, I submit herewith the municipal financial statements for the year ended December 31, 1986.

Some of the 1986 highlights from these reports are summarized below.

Capital Expenditures:

			1986	1985
General Fund	-	Out of Revenue	$ 1,384,605	$ 1,319,052
	-	Reserve Funds	385,525	617,851
	-	Provincial Grants	359,102	150,000
	-	Insurance proceeds	103,305	-
	-	Agreement payable		85,744
	-	Other Contributions	27,898	31,934
			$ 2,260,435	$ 2,204,581
Electric Light	-	Out of Revenue	359,900	285,492
	-	Other Contributions	14,901	19,854
			$ 374,801	$ 305,346
Water Utility	-	Out of Revenue	237,131	115,216
	-	Provincial Grant	43,750	-
	-	Debenture Bylaws	-	243,416
	-	Other Contributions	29,438	10,012
			$ 310,319	$ 368,644
Sewer Utility	-	Out of Revenue	15,196	17,619
	-	Debenture Bylaws	560,310	396,354
	-	Other Contributions	20,485	9,084
			$ 595,991	$ 423,057
TOTAL CAPITAL EXPENDITURES:			$ 3,541,546	$ 3,301,628

Major capital projects included in the above summary are:

Sidewalks, curb and gutter	$258,747
Public parking lots	124,010
Street construction	347,829
Storm drainage	205,433
Secondary highways (Naramata Road)	296,754
Skaha Lake Marina	136,293
Parks landscape and development	130,159
Parkland acquisition	192,550

Included in the above costs were improvements to Main Street undertaken as a result of reclassification by the Province of most of the old Highway #97 through the City from Arterial to a City street.

Operating Expenditures and Debt Charges (excludes transfers to other funds, reserves and transmission of taxes):		1986	1985
General Revenue Fund	- Operating	$ 10,484,428	$ 11,368,051
	- Debt	699,187	642,454
		$ 11,183,615	12,010,505
Electric Utility	- Operating	$ 5,933,692	5,847,314
Water Utility	- Operating	452,929	605,003
	- Debt (note*)	656,842	667,519
		$ 1,109,771	1,272,522
Sewer Utility	- Operating	552,806	615,336
	- Debt (note*)	1,120,066	1,120,005
		$ 1,672,872	1,735,341
TOTAL NET OPERATING EXPENDITURES:		$ 19,899,950	$ 20,865,682

There was a decrease in overall net operating expenditures of $965,732 as shown above; however, 1986 figures may not be indicative of normal operations due to a lengthy labour dispute experienced by the City.

*Debt Charges recoverable from the Province: - Water	$ 262,725	$ 273,996
- Sewer	659,637	661,949
Collection of Taxes for other Governments including Regional District	6,677,866	6,790,448
Debenture Debt outstanding	11,292,724	11,952,730
Per Capita Debt - General Purposes	116	122
Per Capita Debt - Utilities	371	394

Investment Earnings

Investment of all excess Revenue and Reserve Funds generated $731,206 in 1986 compared to $733,803 in 1985. In addition, the Sewer Capital Fund earned $249,947 from investment of unexpended borrowed funds ultimately to be used for capital projects in the Sewer Utility.

Surplus

The City increased its general revenue surplus by $634,604. This will bring the accumulated operating surplus to $3,203,102 as at December 31, 1986. A large portion of these funds will be appropriated for 1987 budget purposes and future capital expenditures.

Library

The Statement of Revenue and Expenditure for the Penticton Public Library is presented in this report. Library revenue reflects a City grant of $388,000, which includes an allowance of $66,215 for building and administration costs provided by the City.

Respectfully Submitted

R.J. Ramsay
Treasurer

SOURCE AND DISPOSITION OF YOUR CIVIC DOLLAR

GENERAL OPERATING FUND

FOR THE YEAR 1986

WHERE THE DOLLAR COMES FROM:		
PROPERTY TAX		
Real Property	34.0¢	
Special Assessments	.5¢	
School	26.7¢	66.5¢
Hospital	2.1¢	
B.C. Assessment Authority	.7¢	
Regional District	2.5¢	
GOVERNMENT GRANTS IN LIEU OF TAXES		
Federal	.3¢	
Provincial	.2¢	.5¢
SALES OF SERVICES		14.7¢
REVENUE FROM OWN SERVICES		7.1¢
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		5.3¢
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		.3¢
CONDITIONAL TRANSFERS FROM REGIONAL AND SCHOOL		.1¢
TRANSFERS FROM OWN RESERVES		.7¢
TRANSFERS FROM OTHER FUNDS		4.8¢
YOUR DOLLAR		$ 1.00

WHERE THE MONEY WAS SPENT:	
GENERAL GOVERNMENT SERVICES	10.7¢
PROTECTION SERVICES	17.0¢
TRANSPORTATION SERVICES	5.8¢
ENVIRONMENTAL HEALTH SERVICES	3.0¢
PUBLIC HEALTH	.4¢
DEVELOPMENT SERVICES	2.0¢
RECREATIONAL SERVICES	9.1¢
CULTURAL SERVICES	2.3¢
DEBT CHARGES	3.4¢
TRANSFER TO OWN RESERVES	.9¢
TRANSFER TO OTHER FUNDS	1.5¢
EQUIPMENT REPLACEMENT	2.0¢
CAPITAL EXPENDITURES	6.6¢
TRANSFERS TO OTHER GOVERNMENTS AND BOARDS	32.0¢
SURPLUS	3.3¢
YOUR DOLLAR	$ 1.00

HACK, COURTICE & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

The Council
The Corporation of the City of Penticton
British Columbia

We have examined the balance sheets of The Corporation of the City of Penticton as at December 31, 1986 and the statements of equity in fixed assets, capital financing and revenue and expenditure and surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Corporation of the City of Penticton as at December 31, 1986 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles for British Columbia municipalities applied on a basis consistent with that of the preceding year.

Hack, Courtice & Co.

Penticton, British Columbia
March 25, 1987

Chartered Accountants

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

COMBINED BALANCE SHEET

December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
CASH	$ 914,427	$ 459,583
TERM DEPOSITS	11,817,795	10,587,339
INVESTMENTS	1,000	202,000
RECEIVABLES		
Property taxes	1,528,464	1,428,833
Province of British Columbia	964,917	612,661
R.D.O.S.	2,005	580
Okanagan Basin Water Board	82,939	159,862
O.S. Regional Hospital	1,600	-
Rates	686,049	668,037
Other	366,010	310,488
	3,631,984	3,180,461
MATERIALS AND SUPPLIES	790,437	881,198
FIXED ASSETS		
Engineering structures	41,449,062	39,538,875
Buildings	17,532,658	16,397,679
Machinery and equipment	5,898,169	5,633,750
Land	3,708,351	3,513,288
	68,588,240	65,083,592
Less accumulated depreciation	11,454,637	10,660,989
	57,133,603	54,422,603
OTHER ASSETS		
Trusts and other deposits		
Municipal Finance Authority	1,037,520	1,007,604
Accrued interest receivable	249,687	346,415
Deferred sewer connections	9,496	9,496
Unexpired insurance	102,566	108,474
Prepaid expenses	28,704	88,432
Prepaid instalments on debenture debt	22,942	22,942
Feasibility study	150,000	150,000
Tax sale properties	79,603	65,510
	1,680,518	1,798,873
	$ 75,969,764	$ 71,532,057

TREASURER

LIABILITIES AND SURPLUS

	1986	1985
PAYABLES		
O.S. - Regional Hospital District	$ -	$ 2,678
Other Government Agencies	76,728	83,147
Trade accounts and accrued liabilities	2,499,154	2,764,447
Debenture principal and interest	1,339	1,299
	2,577,221	2,851,571
OTHER LIABILITIES		
Prepaid property taxes	24,353	22,700
Sundry deposits	245,113	131,657
Utility deposits	26,460	26,570
Penticton Public Library	14,269	23,934
Municipal Finance Authority Debt Reserve Fund		
Cash requirement	272,403	242,487
Demand note requirement	765,117	765,117
	1,347,715	1,212,465
LONG-TERM DEBT		
Debentures authorized and issued	11,292,725	11,952,730
RESERVES FOR FUTURE EXPENDITURES		
Marinas	152,211	153,236
Garbage disposal	3,152	36,011
Parking lot development	26,999	17,892
S.S. Sicamous	27,227	30,563
Vehicle Insurance	67,914	62,914
Equipment replacement	1,934,750	1,505,005
Tax sale lands	1,900	1,756
Development cost charges	277,172	302,953
Capital	862,774	701,938
Local improvements	1,590,680	1,455,374
Water System Utility	302,640	279,678
Electrical System Utility	2,529,874	2,287,762
Other - General	133,380	68,649
	7,910,673	6,903,731
ASSET VALUATION ALLOWANCES		
Allowance for Doubtful Accounts	14,316	9,316
OTHER RESERVES		
Tax Sale	935	310
SURPLUS		
Equity in capital assets	48,738,179	45,495,622
Surplus	4,088,000	3,106,312
	52,826,179	48,601,934
CONTINGENT LIABILITIES (note 3)	$ 75,969,764	$ 71,532,057

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

Balance Sheet

December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
CASH (note 1b)	$ 914,427	$ 459,583
TERM DEPOSITS (note 1b)	11,743,795	10,528,539
INVESTMENTS	1,000	202,000
RECEIVABLES		
Property taxes	1,528,464	1,428,833
Province of British Columbia	964,917	762,661
Regional District Okanagan-Similkameen	2,005	580
O.S. Regional Hospital	1,600	-
Okanagan Basin Water Board	82,939	159,862
Other receivables	366,010	310,488
	2,945,935	2,662,424
MATERIALS AND SUPPLIES, at cost	184,725	184,840
OTHER ASSETS		
Trusts and other deposits		
Municipal Finance Authority	222,299	214,775
Accrued interest receivable	243,276	341,568
Unexpired insurance	102,566	108,474
Prepaid Expenses	28,704	88,432
Tax sale property subject to redemption	79,603	65,510
	676,448	818,759
	$ 16,466,330	$ 14,856,145

TREASURER

LIABILITIES AND SURPLUS

	1986	1985
PAYABLES		
Other funds		
Equipment Replacement Reserve Fund	$ 1,934,750	$ 1,505,005
Tax Sale Lands Reserve Fund	1,900	1,756
Development Cost Charges Reserve Fund	277,172	302,953
Capital Reserve Fund	862,774	701,938
Local Improvement Reserve Fund	1,342,014	1,148,632
Water System Reserve Fund	302,640	279,678
	4,721,250	3,939,962
Water System Capital Fund	15,765	14,568
Water System Utility	138,919	14,945
Electric Light System Utility	1,518,826	1,205,304
Sewer System Utility	415,026	279,303
Sewer System Utility Capital Fund	3,130,202	3,324,570
Cemetery Perpetual Trust Care Fund	5,954	8,109
	5,224,692	4,846,799
Trade accounts and accrued liabilities	2,349,154	2,641,805
Debenture principal and interest	1,339	1,299
O.S. - Regional Hospital District	-	2,678
Other Government Agencies	76,728	83,147
Prepaid property taxes	24,353	22,700
Sundry deposits	203,010	131,657
Penticton Public Library	14,269	23,934
	2,668,853	2,907,220
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND		
Cash requirement	68,372	60,848
Demand note requirement	153,927	153,927
	222,299	214,775
RESERVES FOR FUTURE EXPENDITURES		
Marinas	152,211	153,236
Garbage Disposal	3,152	36,011
Parking Lot Development	26,999	17,892
S.S. Sicamous	27,227	30,563
Other - General	133,380	68,649
Vehicle Insurance	67,914	62,914
	410,883	369,265
ASSET VALUATION ALLOWANCES		
Allowance for Doubtful Accounts	14,316	9,316
OTHER RESERVES		
Tax Sale	935	310
SURPLUS	3,203,102	2,568,498
	$ 16,466,330	$ 14,856,145

CONTINGENT LIABILITIES (note 3)

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

Statement of Surplus

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
BALANCE BEGINNING OF YEAR	$ 2,568,498	$ 2,527,628
ADD		
Transfer from General Revenue Fund	680,274	27,838
Variance - Employee fringe benefits	(13,805)	4,447
Equipment rebate	-	8,585
Variance - Equipment rates	(31,838)	-
Variance - Inventory	(27)	-
BALANCE END OF YEAR	$ 3,203,102	$ 2,568,498

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

Statement of Revenue and Expenditure

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
REVENUE		
Taxation		
Real property	$ 7,093,018	$ 7,000,764
Special assessments	106,515	116,557
	7,199,533	7,117,321
Grants in lieu of taxes		
Federal Government	63,882	64,000
Provincial Government	31,863	40,390
	95,745	104,390
Sales of services	3,050,656	3,289,930
Other revenue from own services	1,470,272	1,438,667
Unconditional transfers from other governments	1,110,846	1,058,975
Conditional transfers from other governments	63,400	35,252
Conditional transfers from regional and local governments	25,193	25,193
Transfers from own reserves	154,475	78,702
Transfer from other funds		
Electric Light Utility Revenue Fund	1,000,000	1,000,000
	6,874,842	6,926,719
Collections for other governments		
School District #15	5,574,348	5,670,366
Regional Hospital	436,262	446,079
Municipal Finance Authority	2,085	2,072
B.C. Assessment Authority	152,431	147,070
Regional District - Okanagan Similkameen	394,694	402,077
Okanagan Basin Water Board	118,046	122,784
	6,677,866	6,790,448
	$ 20,847,986	$ 20,938,878

	1986	1985
EXPENDITURE		
General government services	$ 2,239,609	$ 2,161,116
Protection to persons and property	3,551,328	3,691,058
Transportation services	1,202,320	1,604,626
Environmental health services	631,717	592,273
Public health services	82,629	97,989
Environmental development services	409,295	348,907
Recreation and cultural services	2,367,530	2,872,082
Fiscal services		
Interest - Temporary borrowing, bank charges	19,977	19,516
Long-term debt charges - Interest	472,609	475,511
- Principal	120,857	147,427
Other debt	85,744	-
Transfers to own reserves	196,092	166,989
Transfer to other funds		
General Capital Fund	1,384,605	1,319,052
Equipment Replacement Reserve Fund	418,064	440,177
Development Cost Charges Reserve Fund	192,743	63,510
Local Improvement Reserve Fund	106,410	116,557
Cemetery Care Fund	5,860	5,971
	13,487,389	14,122,761
Transfers to other governments and boards		
School District #15	5,574,296	5,671,168
Regional Hospital	436,262	443,165
Municipal Finance Authority	2,094	2,070
B.C. Assessment Authority	152,431	147,072
Regional District of Okanagan-Similkameen	397,194	402,020
Okanagan Basin Water Board	118,046	122,784
	6,680,323	6,788,279
TOTAL EXPENDITURE	20,167,712	20,911,040
Transfer to Surplus	680,274	27,838
	$ 20,847,986	$ 20,938,878

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL CAPITAL FUND

Balance Sheet

December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
FIXED ASSETS		
Engineering structures	$ 18,843,765	$ 17,580,270
Buildings	11,958,471	11,392,191
Machinery and equipment	5,787,091	5,551,493
Land	3,508,459	3,313,396
	40,097,786	37,837,350
Less accumulated depreciation	2,483,702	2,245,161
	$ 37,614,084	$ 35,592,189

LIABILITIES AND EQUITY IN CAPITAL ASSETS

LOAN FROM LOCAL IMPROVEMENT RESERVE FUND	$ 248,666	$ 306,742
AGREEMENT PAYABLE	-	85,744
LONG-TERM DEBT		
Debentures authorized and issued	2,697,773	2,822,961
EQUITY IN CAPITAL ASSETS	34,667,645	32,376,742
	$ 37,614,084	$ 35,592,189

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL CAPITAL FUND

Statement of Equity in Capital Assets

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 32,376,742	$ 30,352,182
ADD		
Assets acquired by transfer		
Provincial Government	359,102	150,000
Development Cost Charges Reserve Fund	241,400	312,421
Capital Reserve Fund	17,148	105,425
Equipment Replacement Reserve Fund	126,977	177,472
General Revenue Fund	1,384,605	1,319,052
Other Contributions	119,966	31,934
Acquired by Donation	-	160,000
Agreement Payable	85,744	-
Retirement of long-term debt	120,857	147,427
Actuarial Sinking Fund requirement	4,332	3,694
Repayment of loan from Local Improvement Reserve Fund	69,313	72,089
	2,529,444	2,479,514
DEDUCT		
Depreciation on general fixed assets	238,541	192,807
Write down of fixed assets	-	262,147
EQUITY IN CAPITAL ASSETS AT END OF YEAR	$ 34,667,645	$ 32,376,742

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL CAPITAL FUND

Statement of Capital Financing

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
FINANCES ACQUIRED		
Provincial Government Highways Grant	$ 148,377	$ 150,000
Provincial Government Cost Sharing	210,725	-
Transfers from		
Equipment Replacement Reserve Fund	126,977	177,472
Capital Reserve Fund	17,148	105,425
Development Cost Charges Reserve Fund	241,400	312,421
General Revenue Fund	1,384,605	1,319,052
Other Contributions	119,966	31,934
Agreement Payable	85,744	-
Repayment of loan from Local Improvement Reserve Fund	69,313	72,089
Temporary borrowings and payables at end of year	248,666	392,486
	$ 2,652,921	$ 2,560,879
FINANCES APPLIED		
Temporary borrowings and payables at beginning of year	$ 392,486	$ 356,298
Expenditures for general fixed assets	2,260,435	2,204,581
	$ 2,652,921	$ 2,560,879

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

RESERVE FUNDS

Balance Sheet

December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
RECEIVABLES		
General Revenue Fund	$ 4,721,250	$ 3,939,962
General Capital Fund	248,666	306,742
	$ 4,969,916	$ 4,246,704

LIABILITIES AND FUNDS BALANCES

FUND BALANCES		
Equipment Replacement	$ 1,934,750	$ 1,505,005
Tax Sale Lands	1,900	1,756
Development Cost Charges - Highways Facilities	111,606	85,314
- Public Open Space	165,566	217,639
Capital	862,774	701,938
Local Improvement	1,590,680	1,455,374
Water System Utility	302,640	279,678
	$ 4,969,916	$ 4,246,704

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

RESERVE FUNDS

Statement of Changes in Fund Balances

Year ended December 31, 1986
(with comparative figures for 1985)

	Equipment Replacement	Tax Sale Lands
BALANCE AT BEGINNING OF YEAR	$ 1,505,005	$ 1,756
ADD		
Transfers from		
General Revenue Fund	418,064	-
Interest earned	135,634	144
Proceeds from sale of fixed assets, net	3,024	-
	$ 2,061,727	$ 1,900
DEDUCT		
Transfers to		
General Capital Fund	126,977	-
BALANCE AT END OF YEAR	$ 1,934,750	$ 1,900

Development Cost Charges	Capital	Local Improvement	Water System	1986 Total	1985 Total
302,953	701,938	1,455,374	279,678	4,246,704	3,916,517
192,743	-	37,097	-	647,904	548,156
22,876	66,443	98,209	22,962	346,268	350,342
-	111,541	-	-	114,565	27,007
518,572	879,922	1,590,680	302,640	5,355,441	4,842,022
241,400	17,148	-	-	385,525	595,318
277,172	862,774	1,590,680	302,640	4,969,916	4,246,704

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

WATER SYSTEM UTILITY

Revenue Fund

Balance Sheet

December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
RATES RECEIVABLE	$ 81,228	$ 85,964
MATERIALS AND SUPPLIES, at cost	138,511	146,399
RECEIVABLES		
General Revenue Fund	138,919	14,945
TRUSTS AND OTHER DEPOSITS		
Municipal Finance Authority	253,857	246,119
	$ 612,515	$ 493,427

LIABILITIES

DEPOSITS	$ 25,103	$ 7,532
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND		
Cash requirement	71,210	63,472
Demand note requirement	182,647	182,647
SURPLUS		
Balance at beginning of year	239,776	193,429
Transfer from Water Revenue	93,779	46,347
Balance at end of year	333,555	239,776
	$ 612,515	$ 493,427

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

WATER SYSTEM UTILITY

Statement of Revenue and Expenditure

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
REVENUE		
Water rates	$ 1,107,574	$ 1,102,959
Connection, service charges and other recoveries	44,937	32,245
Hydrant rentals	25,445	24,885
Conditional transfers from other governments	262,725	273,996
TOTAL REVENUE	$ 1,440,681	$ 1,434,085
EXPENDITURE		
Administration	$ 129,352	$ 128,940
Purification and treatment	26,440	33,503
Transmission and distribution	192,364	277,555
Pumping	55,141	66,557
Customer billing and collections	37,718	78,912
Other	11,914	19,536
Long-term debt charges		
Interest	418,776	430,853
Principal	238,066	236,666
Contributions to Capital Fund	237,131	115,216
Transfer to own surplus	93,779	46,347
TOTAL EXPENDITURE	$ 1,440,681	$ 1,434,085

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

WATER SYSTEM UTILITY

Capital Fund

Balance Sheet

December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
UNEXPENDED FUNDS		
Receivables		
General Revenue Fund	$ 15,765	$ 14,568
	15,765	14,568
FIXED ASSETS		
Engineering structures	12,817,804	12,516,330
Building	54,711	47,811
Machinery and equipment	29,063	27,118
Land	475	475
	12,902,053	12,591,734
Less accumulated depreciation	4,259,471	4,008,437
	8,642,582	8,583,297
	$ 8,658,347	$ 8,597,865

LIABILITIES AND EQUITY IN CAPITAL ASSETS

LONG-TERM DEBT		
Debentures authorized and issued	$ 3,137,007	$ 3,385,482
EQUITY IN CAPITAL ASSETS	5,521,340	5,212,383
	$ 8,658,347	$ 8,597,865

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

WATER SYSTEM UTILITY

Statement of Equity in Capital Assets

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 5,212,383	$ 5,076,120
ADD		
Provincial Government	43,750	-
Assets acquired by transfer	237,131	115,216
Other Contributions	29,439	10,012
Retirement of long-term debt	238,066	236,666
Actuarial Sinking Fund requirement	10,409	7,034
Interest earned	1,196	12,163
	5,772,374	5,457,211
DEDUCT		
Depreciation on Water System Utility fixed assets	251,034	244,828
EQUITY IN CAPITAL ASSETS AT END OF YEAR	$ 5,521,340	$ 5,212,383

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

WATER SYSTEM UTILITY

Statement of Capital Financing

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
FINANCES ACQUIRED		
Unexpended funds at beginning of year	$ 14,568	$ 245,821
Provincial Government	43,750	-
Transfers from		
Water System Utility Revenue Fund	237,131	115,216
Other Contributions	29,439	10,012
Other		
Interest received	1,196	12,163
	$ 326,084	$ 383,212
FINANCES APPLIED		
Expenditure for fixed assets	310,319	368,644
Unexpended funds at end of year	15,765	14,568
	$ 326,084	$ 383,212

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

ELECTRIC LIGHT SYSTEM UTILITY

Balance Sheets

December 31, 1986
(with comparative figures for 1985)

REVENUE FUND

ASSETS

	1985	1984
RATES RECEIVABLE	$ 604,821	$ 582,073
MATERIALS AND SUPPLIES, at cost	439,165	519,423
RECEIVABLES		
General Revenue Fund	1,518,826	1,205,304
	$ 2,562,812	$ 2,306,800

LIABILITIES

DEPOSITS	$ 22,938	$ 19,038
RESERVE FOR FUTURE CAPITAL EXPENDITURES	2,539,874	2,287,762
	$ 2,562,812	$ 2,306,800

CAPITAL FUND

ASSETS

FIXED ASSETS		
Engineering structures	$ 4,740,825	$ 4,390,281
Buildings	718,205	716,716
Machinery and equipment	77,907	55,139
Land	61,896	61,896
	5,598,833	5,224,032
Less accumulated depreciation	1,843,324	1,736,209
	$ 3,755,509	$ 3,487,823

EQUITY IN CAPITAL ASSETS

EQUITY IN CAPITAL ASSETS	$ 3,755,509	$ 3,487,823

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

ELECTRIC LIGHT SYSTEM UTILITY

Statement of Revenue and Expenditure

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
REVENUE		
Rates	$ 7,326,371	$ 7,122,116
Electric heating connection fees and other recoveries	221,333	220,161
TOTAL REVENUE	7,547,704	$ 7,342,277
EXPENDITURE		
Administration	$ 648,659	$ 621,866
Electrical energy purchased for resale	5,035,667	4,787,093
Transmission and distribution	92,909	256,283
Customer billing and collection	123,302	182,072
Other	33,155	-
Contribution to Capital Fund	359,900	285,492
Transfer to own Reserve for Future Capital	254,112	209,471
Transfer to General Revenue Fund	1,000,000	1,000,000
TOTAL EXPENDITURE	$ 7,547,704	$ 7,342,277

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

ELECTRIC LIGHT SYSTEM UTILITY

Statement of Equity in Capital Assets

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 3,487,823	$ 3,282,551
ADD		
Assets acquired by transfer	359,900	285,492
Other Contributions	14,901	19,854
	3,862,624	3,587,897
DEDUCT		
Depreciation on Electric Light System Utility fixed assets	107,115	100,074
EQUITY IN CAPITAL ASSETS AT END OF YEAR	$ 3,755,509	$ 3,487,823

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

ELECTRIC LIGHT SYSTEM UTILITY

Statement of Capital Financing

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
FINANCES ACQUIRED		
Transfer from:		
Electric Utility Revenue Fund	$ 359,900	$ 285,492
Other Contributions	14,901	19,854
	$ 374,801	$ 305,346
FINANCES APPLIED		
Expenditures for fixed assets	$ 374,801	$ 305,346

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SEWER SYSTEM UTILITY

Revenue Fund

Balance Sheet

December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
MATERIALS AND SUPPLIES, at cost	$ 28,036	$ 30,536
PREPAID DEBENTURE DEBT, principal and interest	22,942	22,942
DEFERRED SEWER CONNECTIONS	9,496	9,496
RECEIVABLES		
General Revenue Fund	415,026	279,303
TRUSTS AND OTHER DEPOSITS		
Municipal Finance Authority	561,364	546,710
	$ 1,036,864	$ 888,987

LIABILITIES AND SURPLUS

MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND		
Cash requirement	$ 132,821	$ 118,167
Demand note requirement	428,543	428,543
PAYABLES		
Sewer System Utility Capital Fund	-	115,995
DEPOSITS	20,522	-
SURPLUS		
Balance at beginning of year	226,282	95,806
Transfer from Sewer Revenue	228,696	130,476
Balance at end of year	454,978	226,282
	$ 1,036,864	$ 888,987

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SEWER SYSTEM UTILITY

Statement of Revenue and Expenditure

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
REVENUE		
Sewer levy	$ 470,719	$ 462,698
Sewer fixture charges	617,797	583,027
Sewer connections and recoveries	10,298	16,894
Provincial Government conditional grant	659,637	661,949
Okanagan Water Basin Board conditional grant	158,313	158,868
TOTAL REVENUE	$ 1,916,764	$ 1,883,436
EXPENDITURE		
Sewage collection and disposal	$ 403,174	$ 485,269
Inspection and maintenance	137,265	107,966
Lift station, operation and maintenance	12,367	22,101
Long-term debt charges:		
Interest	861,531	868,049
Principal	258,535	251,956
Contributions to Capital Fund	15,196	17,619
Transfer to Sewer System Revenue Fund Surplus	228,696	130,476
TOTAL EXPENDITURE	$ 1,916,764	$ 1,883,436

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SEWER SYSTEM UTILITY

Capital Fund

Balance Sheet

December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
UNEXPENDED FUNDS		
Receivables		
Sewer System Utility Revenue Fund	$ -	$ 115,995
General Revenue Fund	3,130,202	3,324,570
	$ 3,130,202	3,440,565
FIXED ASSETS		
Engineering structures	5,046,668	5,051,994
Buildings	4,801,271	4,240,961
Machinery & equipment	4,108	
Land	137,521	137,521
	$ 9,989,568	9,430,476
Less accumulated depreciation	2,868,140	2,671,182
	7,121,428	6,759,294
OTHER ASSET		
Sewer Feasibility Study	150,000	150,000
	$ 10,401,630	$ 10,349,859

LIABILITIES AND EQUITY IN CAPITAL ASSETS

PAYABLES		
Provincial Government	$ 150,000	$ 150,000
Trade Accounts	-	36,898
LONG-TERM DEBT		
Debentures authorized and issued	5,457,945	5,744,287
EQUITY IN CAPITAL ASSETS	4,793,685	4,418,674
	$ 10,401,630	$ 10,349,859

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SEWER SYSTEM UTILITY

Statement of Equity in Capital Assets

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 4,418,674	$ 3,992,967
ADD		
Interest earned	249,947	312,770
Retirement of long-term debt	258,535	251,956
Actuarial Sinking Fund requirement	27,807	19,399
Assets acquired by transfer	15,196	17,619
Other Contributions	20,485	9,084
	4,990,644	4,603,795
DEDUCT		
Depreciation on Sewer System Utility fixed assets	196,959	185,121
EQUITY IN CAPITAL ASSETS AT END OF YEAR	$ 4,793,685	$ 4,418,674

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SEWER SYSTEM UTILITY

Statement of Capital Financing

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
FINANCES ACQUIRED		
Unexpended funds at beginning of year	$ 3,440,565	$ 3,487,251
Transfer from		
Sewer System Utility Revenue Fund	15,196	17,619
Other Contributions	57,383	9,084
Interest earned	249,947	312,770
Temporary borrowings at end of year	150,000	150,000
Payables	-	36,898
	$ 3,913,091	$ 4,013,622
FINANCES APPLIED		
Temporary borrowings at beginning of year	$ 186,898	$ 150,000
Expenditure for fixed assets	595,991	423,057
Unexpended funds at end of year	3,130,202	3,440,565
	$ 3,913,091	$ 4,013,622

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

CEMETERY PERPETUAL TRUST CARE FUND

Revenue Fund Balance Sheet

December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
BANK TERM DEPOSITS	$ 74,000	$ 58,800
RECEIVABLE		
General Revenue Fund	5,954	8,109
ACCRUED INTEREST	6,411	4,847
	$ 86,365	$ 71,756
SURPLUS		
Balance beginning of year	$ 71,756	$ 58,825
Add:		
Care Fund Contributions	5,860	5,971
Interest earned	8,749	6,960
	$ 86,365	$ 71,756

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Notes to Financial Statements

December 31, 1986

1. ACCOUNTING POLICIES

(a) The municipality reports its activities on the fund accounting basis as followed by British Columbia municipalities;
(b) All fund bank accounts, except those required under statutory authority, are consolidated in the General Revenue Fund;
(c) Inventories of materials and supplies are valued on a moving average basis;
(d) (1) Depreciation is recorded in the Utility Capital Funds at varying rates established to write-off those assets over their estimated useful lives;
(2) Depreciation is recorded in the General Capital Fund at varying rates established to write-off vehicles and specific equipment only over the estimated useful lives of these assets;
(e) Capital assets are recorded at cost;
(f) Certain 1985 figures have been reclassified in order to be consistent with the account presentation of 1986;
(g) The Combined Balance Sheet includes all General, Capital, Reserve and Utility Funds of the Municipality, including the Cemetery Perpetual Trust Care Fund.
(h) As a result of a labour dispute, June 24 - December 7, 1986, certain expenditures are not necessarily indicative of normal operations nor are they necessarily comparative to the prior years' results.

2. DEBENTURE DEBT

Repayment of debenture debt is summarized as follows:

	1986	1985
Debenture debt		
Principal	$ 617,458	$ 636,050
Interest	1,752,916	1,774,413
	2,370,374	2,410,463
Other interest	19,977	19,517
Total	$ 2,390,351	$ 2,429,980

2. DEBENTURE DEBT (continued)

Of the total charges above, $613,443 (1985 - $642,455) was paid from the general revenues of the City and is included in expenditure classified under the appropriate functional headings. $1,776,908 (1985 - $1,787,525) was recovered from municipal utilities for which the related long-term liabilities were incurred.

Debentures unmatured and outstanding under Bylaws 3288, 3289, 3613 and 3859 aggregating $3,306,545 (1985 - $3,415,807) are stated in United States funds. In accordance with generally accepted accounting principles for governmental reporting, no conversion to Canadian funds for these debentures has been made.

3. CONTINGENT LIABILITIES

(a) Under Section 799 of the Municipal Act, all monies borrowed by a Regional District, shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. At December 31, 1986, the long-term debt of the Regional District of Okanagan Similkameen aggregated $23,662,345 (1985 - $24,903,404).

(b) The Village of Osoyoos et al filed a Writ of Summons in the Supreme Court of British Columbia in 1977 claiming an injunction restraining the City from discharging foreign and poluting matter into the South Okanagan river system plus an additional unspecified claim for damages, costs and other relief. The City has filed a statement of defence denying the allegations and has asked for dismissal of the action. No provision for any possible liability on behalf of the City has been recorded in the accounts as it is not possible to determine the outcome of these proceedings.

(c) As at December 31, 1986, certain other legal actions are pending against the Municipality, the outcome of which cannot be determined at this time. As it is not possible to determine the outcome of these proceedings, no provision for any potential liability has been recorded in the accounts.

SCHEDULE 1-1

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

DETAILS OF REVENUE

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
SALES OF SERVICES		
General Government Services		
Data centre	$ 4,974	$ 5,032
Administration	744,154	708,160
Departmental equipment depreciation	418,065	440,177
	1,167,193	1,153,369
Protective Services		
Fire protection fees	90,594	90,661
Fire department recoveries	1,592	2,675
Prisoner expense recoveries	157,515	271,842
R.C.M. Police recoveries	10,612	1,050
	260,313	366,228
Transportation Services		
Transit system fares	132,024	133,920
Secondary highways recoveries	5,222	11,183
Parking meter fees	23,278	33,958
Engineering recoveries	16,820	72,589
Engineering work order recoveries	43,867	-
Storm drain work order recoveries	8,235	3,908
	229,446	255,558
Environmental Health and Services		
Garbage collection rates	598,858	593,823
Public Health and Welfare Services		
Cemetery plot sales	11,297	12,981
Grave digging recoveries	28,215	36,250
Marker maintenance recoveries	6,735	4,949
Grave liner recoveries	8,058	10,200
Cemetery care fund contribution	5,860	5,971
	60,165	70,351
Environmental Development Services		
Peach Bowl Rental and Services	79,476	127,542

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

DETAILS OF REVENUE

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
SALES OF SERVICES		
Recreational and Cultural Services		
Community Centre	$ 175,770	$ 286,175
Skaha Lake Marina	23,209	31,785
Okanagan Lake Marina	22,153	41,132
Recreation fees	9,235	13,831
Nanaimo Hall and Edmonton Avenue centres	8,539	9,363
Memorial Arena	97,497	102,103
McLaren Arena	61,244	82,476
Parks work orders recoveries	1,587	17,075
Parks leases and school facilities	59,908	67,802
Museum donations	3,120	7,807
	462,262	659,549
Other Revenue from Own Services		
Development cost charges	192,943	63,510
	$ 3,050,656	$ 3,289,930
Other Revenue from Own Services		
Licences and permits		
Business licence fees	$ 301,721	$ 313,253
Commercial vehicle licence fees	7,530	8,965
Building permits	94,638	47,269
Plumbing permits	12,644	6,444
Dog licence and violations	24,385	19,901
	440,918	395,832
Traffic fines	22,202	42,148
Building rentals	147,631	141,186
Franchise	145,208	128,512
Investment income	389,683	383,462
Penalties and interest on taxes	249,420	280,040
Miscellaneous	75,210	67,487
	$ 1,470,272	$ 1,438,667
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Provincial Government		
Planning	$ 2,500	$ -
Basic	39,461	36,529
Revenue sharing	1,068,885	1,022,446
	$ 1,110,846	$ 1,058,975

SCHEDULE 1-3

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

DETAILS OF REVENUE

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Federal Government		
Federal Canada Assistance Grant	$ 20,000	$ 17,225
Youth Employment Grant	15,596	-
Provincial Government		
Emergency Program	8,500	8,772
Employment & Training	-	4,164
Recreation Programs	1,000	2,500
Economic Development	18,304	-
Other	-	2,591
	$ 63,400	$ 35,252
CONDITIONAL TRANSFERS FROM REGIONAL AND LOCAL GOVERNMENTS AND BOARDS		
Regional District of Okanagan Similkameen		
Community Centre Grant	$ 20,000	$ 20,000
Retirement Centre Grant	5,193	5,193
	$ 25,193	$ 25,193
TRANSFERS FROM OWN RESERVES		
Marinas	46,387	31,401
Garbage Disposal	32,859	-
S.S. Sicamous	6,580	3,535
Reserve for future expenditures	68,649	41,738
Community Centre donations	-	$ 2,028
	$ 154,475	$ 78,702

SCHEDULE 2-1

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

DETAILS OF EXPENDITURE

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
GENERAL GOVERNMENT SERVICES		
Legislative	$ 101,568	$ 104,182
General administration	1,705,383	1,620,432
Data Processing	432,658	436,502
	$ 2,239,609	$ 2,161,116
PROTECTIVE SERVICES		
Police protection	$ 1,929,305	$ 2,020,196
Fire protection	1,454,580	1,471,455
Emergency measures	13,567	12,080
Animal control	23,740	23,279
Building and licence inspections	130,136	164,048
	$ 3,551,328	$ 3,691,058
TRANSPORTATION SERVICES		
Common services	$ 125,398	$ 526,023
Road transport	858,053	849,389
Transit system	218,869	229,214
	$ 1,202,320	$ 1,604,626
ENVIRONMENTAL HEALTH SERVICES		
Garbage and waste collection disposal	$ 631,717	$ 592,273
PUBLIC HEALTH SERVICES		
Public Health	$ 2,866	$ 600
Cemetery	79,763	97,389
	$ 82,629	$ 97,989
ENVIRONMENTAL DEVELOPMENT SERVICES		
Industrial Development	$ 126,000	$ 2,665
Convention Bureau operations and maintenance	280,013	342,466
Jubilee Pavilion maintenance	3,282	3,776
	$ 409,295	$ 348,907

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

DETAILS OF EXPENDITURE

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
RECREATION AND CULTURAL SERVICES		
Recreation programs	$ 690,019	$ 662,310
Community centres and halls	269,799	526,793
Beaches and Marinas	136,091	292,824
Arenas	295,332	425,294
Parks and playgrounds, misc. facilities	495,324	460,384
Cultural facilities		
Museum and Arts Centre	104,360	127,814
Penticton Public Library	376,605	376,663
	$ 2,367,530	$ 2,872,082
FISCAL SERVICES		
Debt Charges		
Interest and Bank Charges	$ 19,977	$ 19,516
Interest on debentures and other long-term debt	472,609	475,511
Principal instalments	120,857	147,427
Loan repayment	85,744	-
	$ 699,187	$ 642,454
Transfers to own reserves		
Marinas	$ 45,362	$ 72,917
Parking lot development	9,106	9,814
S.S. Sicamous	3,244	9,058
Vehicle insurance	5,000	5,000
Garbage Disposal	-	1,551
Future Capital Expenditures	133,380	68,649
	$ 196,092	$ 166,989

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SCHEDULE OF FIXED ASSETS

December 31, 1986

	Assets at cost Dec. 31/85
GENERAL FIXED ASSETS	
General Government	
City Hall	$ 635,568
Office equipment	452,182
Data Processing equipment	157,895
	1,245,645
Protection of Persons and Property	
Fire Hall - Building	264,001
- Equipment	1,122,385
R.C.M.P. - Building	456,412
- Equipment	17,262
Civil Defence	32,853
Dog pound	10,245
	1,903,158
Transportation Services	
Trucks and cars	1,391,223
Machinery	1,102,072
Warehouse equipment	208,207
Garage equipment	70,982
Yards and buildings	426,856
Bridges and Culverts	199,635
Sidewalks, curbs and gutter	2,540,707
Footpaths and walkways	80,365
Boulevards and cable strips	284,888
Bus Shelters	7,172
Parking meters	59,726
Parking areas	488,149
Traffic Control equipment	72,287
Street lighting	437,748
Creek improvements	382,319
Streets and Lanes	6,667,981
Secondary Highway and Collector Streets	2,898,555
Street and Traffic Signs	110,516
Grading and drainage	2,645,202
	20,074,590

SCHEDULE 3-1

Assets Acquired	Assets at cost Dec. 31/86	Depreciation to Dec.31/86	Net Book Value Dec. 31/86
-	635,568		635,568
14,551	466,733		466,733
20,707	178,603		178,603
35,258	1,280,904		1,280,904
13,623	277,624		277,624
11,922	1,134,307	381,206	753,101
4,840	461,252		461,252
1,473	18,735		18,735
	32,853		32,853
	10,245		10,245
31,858	1,935,016	381,206	1,553,810
57,114	1,448,337	947,283	501,054
53,140	1,155,212	1,155,212	-
8,175	216,382		216,382
5,419	76,401		76,401
	426,856		426,856
	199,635		199,635
258,747	2,799,454		2,799,454
17,394	97,759		97,759
9,268	294,156		294,156
	7,172		7,172
	59,726		59,726
124,010	612,159		612,159
35,702	107,989		107,989
82,265	520,013		520,013
	382,319		382,319
347,829	7,015,810		7,015,810
296,754	3,195,309		3,195,309
	110,516		110,516
205,433	2,850,635		2,850,635
1,501,250	21,575,840	2,102,495	19,473,345

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SCHEDULE OF FIXED ASSETS

December 31, 1986

	Assets at cost Dec. 31/85
GENERAL FIXED ASSETS	
Sanitation and Waste Removal	
Landfill sites	$ 13,948
Cubic yard garbage containers	7,000
	20,948
Health	
Health Centre	190,521
Leisure Services	
Okanagan Lake Marina	221,809
Skaha Lake Marina	-
Centennial fountain	35,000
S.S. Sicamous	21,045
Buildings- Library/Museum	498,960
- Jubilee Pavilion	76,907
- Kings Park	219,499
- McLaren Arena	343,369
- Memorial Arena	480,209
- Peach Bowl	1,139,034
- Nanaimo Hall	2,669
- Community Centre	5,671,655
Parks and playground	917,520
Parks and recreation development	577,468
Parks tools and equipment	216,953
Kings Park lighting	10,360
Rotary and Gyro Park lighting	1,324
Equipment - Memorial Arena	120,472
- McLaren Arena	98,827
- Jubilee Pavilion	11,432
- Museum	96,593
- Peach Bowl	131,464
- Arts Centre	781
- Community Centre	12,067
- Recreation	47,032
- Library	97,419
Miscellaneous	11,049,868
Cemetery	39,224
TOTAL FIXED ASSETS (EXCLUDING LAND)	$ 34,523,954

SCHEDULE 3-2

Assets Acquired	Assets at cost Dec. 31/86	Depreciation to Dec.31/86	Net Book Value Dec. 31/86
	13,948		13,948
	7,000		7,000
	20,948		20,948
3,464	193,985		193,985
4,000	225,809		225,809
136,293	136,293		136,293
	35,000		35,000
6,580	27,625		27,625
17,148	516,108		516,108
	76,907		76,907
	219,499		219,499
11,533	354,902		354,902
3,614	483,823		483,823
400	1,139,434		1,139,434
	2,669		2,669
71,605	5,743,260		5,743,260
17,201	934,721		934,721
130,159	707,627		707,627
26,121	243,074		243,074
	10,360		10,360
	1,324		1,324
	120,472		120,472
	98,827		98,827
	11,432		11,432
2,704	99,297		99,297
21,687	153,151		153,151
	781		781
	12,067		12,067
16,529	63,561		63,561
11,394	108,813		108,813
476,968	11,526,836		11,526,836
16,575	55,799		55,799
2,065,372	36,589,326	2,483,701	34,105,625

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SCHEDULE OF FIXED ASSETS

December 31, 1986

	Assets at cost Dec. 31/85
GENERAL FIXED ASSETS	
LAND	
City Hall	$ 147,878
Fire Halls	131,297
City Yards	45,799
Street and Lanes	484,140
Landfill Sites	50,000
Health Centre	8,585
Parks and Playgrounds	1,963,371
Memorial Arena	2,727
Cemetery	128,949
School Sites	21,832
Other Properties	328,818
	3,313,396
TOTAL GENERAL FIXED ASSETS	$ 37,837,350

SCHEDULE 3-3

Assets Acquired	Assets at cost Dec. 31/86	Depreciation to Dec.31/86	Net Book Value Dec. 31/86
	147,878		147,878
	131,297		131,297
1,500	47,299		47,299
1,013	485,153		485,153
	50,000		50,000
	8,585		8,585
192,550	2,155,921		2,155,921
	2,727		2,727
	128,949		128,949
	21,832		21,832
	328,818		328,818
195,063	3,508,459		3,508,459
2,260,435	40,097,785	2,483,701	37,614,084

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SCHEDULE OF FIXED ASSETS

December 31, 1986

	Assets at cost Dec. 31/85
UTILITIES	
Water System - Irrigation	
Dams and Intakes	$ 334,599
Pipelines	2,225,045
	2,559,644
Water System - Domestic	
Distribution system	9,983,803
Pumping equipment and building	47,811
	10,031,614
Land - Dam Site	475
	$ 12,591,733
Electric Light System	
Distribution system	$ 4,445,420
Substations	716,716
	5,162,136
Land - Substation Sites	61,896
	$ 5,224,032
Sewer System	
Mains	$ 4,279,873
Connections	735,222
Disposal plant	4,008,823
Tertiary treatment plant	232,139
Machinery & Equipment	-
	9,256,057
Land - Treatment Plant Site	137,521
	$ 9,393,578
TOTAL UTILITIES	$ 27,209,343

SCHEDULE 3-4

Assets Acquired	Assets at cost Dec. 31/86	Depreciation to Dec.31/86	Net Book Value Dec. 31/86
	334,599	334,599	-
	2,225,045	907,040	1,318,005
(364,820)	2,559,644	1,241,639	1,318,005
303,420	10,287,223	2,969,541	7,317,682
6,900	54,711	48,291	6,420
310,320	10,341,934	3,017,832	7,324,102
	475		475
310,320	12,902,053	4,259,471	8,642,582
373,312	4,818,732	1,685,912	3,132,820
1,489	718,205	157,412	560,793
374,801	5,536,937	1,843,324	3,693,613
	61,896		61,896
374,801	5,598,833	1,843,324	3,755,509
8,534	4,288,407	1,551,599	2,736,808
23,039	758,261	218,300	539,961
560,310	4,569,133	1,023,991	3,545,142
	232,139	74,251	157,888
4,108	4,108	-	4,108
595,991	9,852,048	2,868,141	6,983,907
	137,521		137,521
595,991	9,989,569	2,868,141	7,121,428
1,281,112	28,490,455	8,970,936	19,519,519

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Debentures Authorized and Issued

December 31, 1986

Number	Date of Issued	Purpose	Amount of Issue	Outstanding Amount
2265	June 1, 1966	Domestic water	$ 350,000	$ 92,000
2350	Apr. 1, 1967	Domestic water	400,000	138,000
2607	Aug. 1, 1969	Domestic water	590,000	238,000
3013	June 1, 1973	Domestic water	200,000	106,414
3056	July 1, 1973	Domestic water	169,519	85,012
3289 *	Nov. 1, 1975	Domestic water	735,720	496,660
3941	Apr. 29, 1981	Lakeside Waterline	500,000	416,445
4089	Oct. 27, 1982	Domestic Water	1,500,000	1,304,476
			4,445,239	2,877,007
2266	June 1, 1966	Irrigation	200,000	51,000
2351	Apr. 1, 1967	Irrigation	400,000	138,000
2608	Aug. 1, 1969	Irrigation	179,000	71,000
			779,000	260,000
1956A	Oct. 1, 1963	Sewer system	111,525	7,787
2070B	Oct. 1, 1964	Sewer system	563,000	132,000
2890	Jan. 1, 1972	Sewer plant extension	110,713	52,198
2891	Jan. 1, 1972	Sewer plant improvement	114,035	53,764
3288 *	Nov. 1, 1975	Sewer system	980,960	662,213
3519	Nov. 1, 1976	Sewer system	106,703	89,389
3551	Dec. 1, 1977	Sewer system	893,297	686,920
4056	June 30, 1982	Sewer System	3,800,000	3,304,673
4167	May 15, 1984	Sewer System	500,000	469,001
			7,180,233	5,457,945
2923	July 1, 1972	R.C.M.P. building	400,000	175,762
3032	April 1, 1973	McLaren Arena	190,530	95,549
3384	April 1, 1975	Sidewalks, curb & gutter	121,329	78,832
3558	Dec. 1, 1977	Storm sewers	300,000	199,957
3613 *	June 1, 1978	Storm sewers	269,687	212,713
3859 *	Dec. 1, 1980	Community Centre	2,032,632	1,934,959
			3,314,178	2,697,772
			$ 15,718,650	$ 11,292,724

* Stated in United States dollars

Outstanding Amount as at December 31, 1986.	
U.S. Debt	$ 3,306,545
Canadian Equivalent	4,501,861
Exchange Difference	$ 1,195,316

SCHEDULE 4

Term of Year	Maturity	Rate	Where Payable	1987 Payments Interest	Principal
25	1990	5 3/4	Pen.,Van.,Wpg.,Mtl.,Tor.	$ 5,290	$ 21,000
24	1991	6 3/4	Any Br. Bank of Montreal	9,315	24,000
22	1991	8	Any Br. Bank of Montreal	19,040	39,000
20	1993	7 3/4-8 1/8	Reg.Dist.of O.K.Similkameen	8,166	11,813
20	1993	6.67	Ottawa	5,670	9,923
20	1995	9.885	Reg.Dist.of O.K.Similkameen	48,882	36,625
20	2001	13 5/8-14	Reg.Dist.of O.K.Similkameen	70,000	15,121
20	2002	12 1/2	Reg.Dist.of O.K.Similkameen	187,500	45,364
				353,863	202,846
25	1990	5 3/4	Pen.,Van.,Wpg.,Mtl.,Tor.	2,933	12,000
24	1991	6 3/4	Any Br. Bank of Montreal	9,315	24,000
22	1991	8	Any Br. Bank of Montreal	5,680	12,000
				17,928	48,000
25	1987	5 1/8	Ottawa, Wpg.,Mtl.,Tor.	404	7,787
25	1989	5 3/4	Pen.,Van.,Wpg.,Mtl.,Tor.	7,590	43,000
20	1993	7 7/8	Ottawa	4,192	7,110
20	1993	7 7/8	Ottawa	4,317	7,323
20	1995	9.885	Reg.Dist.of O.K.Similkameen	65,176	48,833
25	2001	9 3/4	C.M.H.C., Ottawa	8,928	2,816
25	2001	9 1/2	Reg.Dist.of O.K.Similkameen	84,863	18,716
20	2002	15 1/8	Reg.Dist.of O.K.Similkameen	574,750	114,922
20	2004	11 5/8	Reg.Dist.of O.K.Similkameen	58,125	15,121
				808,345	265,628
20	1992	6.5025	Ottawa	11,429	24,881
20	1993	6.67	Ottawa	6,373	11,153
20	1995	8.6535	Ottawa	8,822	6,143
20	1997	9 1/2	Reg.Dist.of O.K.Similkameen	28,320	9,073
20	1998	9 1/4	Reg.Dist.of O.K.Similkameen	19,226	10,395
25	2005	13.82	Reg.Dist.of O.K.Similkameen	267,411	24,994
				341,591	86,639
				$1,521,717	$ 603,113

SCHEDULE 5

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GOVERNMENT GRANTS

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
FEDERAL GOVERNMENT		
In lieu of taxes	$ 63,882	$ 64,000
Canada Assistance Grant	20,000	17,225
Government Programs	15,596	-
	99,478	81,225
PROVINCIAL GOVERNMENT		
Local government per capita grant - basic	39,461	39,120
In lieu of taxes	31,863	40,390
Emergency Program	8,500	8,772
Employment & Training	-	4,164
Recreation Programs	1,000	2,500
Economic development	18,304	-
Secondary Highways Grant	148,377	161,183
Main St. Upgrading Cost Sharing Grant	210,725	-
Revenue Sharing Grant	1,068,885	1,022,446
Water Assistance Program Grant	306,475	273,996
Planning Grant	2,500	-
Sewer Facilities Assistance Grant	659,637	661,949
Home-owner Assistance Grant	2,869,915	2,831,856
Okanagan Water Basin Board	158,313	158,868
	5,523,955	5,205,244
REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN		
Community Centre Grant	20,000	20,000
Penticton and District Retirement Centre	5,193	5,193
	25,193	25,193
	$ 5,648,626	$ 5,311,662

PENTICTON PUBLIC LIBRARY

(Established under the Provisions of the
Public Libraries Act of British Columbia)

STATEMENT OF REVENUE AND EXPENDITURE

Year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
REVENUE		
Grant City of Penticton		
- Operating	$ 310,391	$ 309,953
- Building and Administration	66,215	66,710
- Capital	11,394	2,393
Grant Province of British Columbia	38,384	37,854
Fines and fees	8,941	9,262
Rentals	-	185
Donations	500	692
	435,825	427,049
Surplus at beginning of year	23,934	14,646
Total Revenue	459,759	441,695
EXPENDITURE		
Building and Administration	66,215	66,710
Book purchases	60,180	54,997
Book repairs	2,982	4,952
Equipment maintenance	194	906
Mileage	1,009	853
Office, stationery and supplies	19,982	13,607
Periodicals	6,638	6,092
Postage, freight and express	2,907	2,776
Salaries and benefits	264,857	259,309
Telephone	4,562	3,789
Staff training and development	4,570	1,377
Total operating expenditure	434,096	415,368
Capital equipment	11,394	2,393
Total Expenditure	445,490	417,761
SURPLUS AT END OF YEAR	$ 14,269	$ 23,934

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Financial Statistics

	1977	1978	1979
Population	21,426 (c)	21,426 (c)	21,426 (c)
Assessed Values - General			
Land		207,783,035	237,337,626
Land Exempt		23,388,213	31,661,455
Taxable Land	41,328,347	184,394,822	205,676,171
Improvements		292,837,343	308,912,561
Improvements Exempt		46,307,375	46,602,341
Taxable Improvements	159,808,207	246,529,968	262,310,220
Total Taxable Assessment	201,136,554	430,924,790	467,986,391
Per Capita	9,387	20,112	21,842
Assessments Actually Taxed			
General Purposes	121,232,450	430,924,790	459,804,037
School Purposes	75,433,076	79,296,169	87,562,272
% Improvements Taxes	50% & 75%	100%	100%
Tax Levy			
General and Debt	4,091,595	4,010,087	4,368,138
School	3,442,288	4,393,114	3,993,658
Regional Hospital	223,181	242,647	250,427
Other (excluding Irrigation)	1,001,162	1,093,831	1,236,814
Total Tax Levy	8,758,326	9,739,679	9,874,099
Total Levy (including Irrigation)	8,841,853	9,823,293	9,957,503
Per Capita	413	458	465
General Mill Rate	33.750	10.000	8.977
Tax Collection			
Current Taxes and Irrigation	9,457,226	9,302,947	9,516,717
% Current levy collected	96.36%	94.70%	95.57%
Arrears and Delinquent	199,713	368,708	675,700
Total Taxes collected	8,656,939	9,671,655	10,093,417
% of Current Levy	98.60%	98.46%	101.36%
Arrears of Taxes	89,096	142,374	149,488
Per Capita	4.16	6.64	7
Debenture Debt			
Gross Debenture Debt	7,378,954	7,259,878	6,858,202
Per Capita	346	338	320
Analysis of Debt (Gross)			
Water Supply System	2,150,552	2,057,338	1,969,752
Irrigation System	575,000	548,000	520,000
Sewers	3,049,598	2,902,923	2,748,631
General	1,603,804	1,751,617	1,619,819

* 1981 Census

1980	1981	1982	1983	1984	1985	1986
21,426 (c)	* 23,181(c)	23,181(c)	23,181(c)	23,181(c)	23,181 (c)	23,181 (c)
236,431,223	257,497,404	422,672,884	344,384,486	345,441,877	316,143,529	317,321,000
31,762,462	32,809,587	43,453,537	43,140,998	43,903,248	35,617,893	35,680,443
204,668,761	224,687,817	379,219,347	301,243,488	301,538,629	280,525,636	281,640,557
332,942,601	431,107,685	562,133,621	498,309,063	507,225,527	490,121,086	499,378,036
46,725,776	49,771,969	63,683,844	58,184,870	66,645,070	66,672,312	68,215,262
286,216,825	381,335,716	498,449,7771	440,124,193	440,580,457	423,448,774	431,162,774
490,885,586	606,023,533	877,669,1241	741,467,681	742,119,086	703,974,410	712,803,331
22,911	26,356	37,862	31,986	32,014	30,369	30,749
482,021,936	596,333,333	866,170,3241	730,237,681	731,817,336	693,670,560	702,347,341
91,546,326	95,286,503	127,889,066	112,834,148	755,911,802	718,130,895	726,829,356
100%	100%	100%	100%	100%	100%	100%
4,338,198	5,367,000	6,539,613	6,645,212	6,842,504	6,935,046	6,981,133
4,603,407	5,280,016	6,502,813	6,460,225	6,115,882	5,665,116	5,603,168
267,315	262,705	318,955	292,239	322,916	445,636	438,311
1,650,863	1,780,439	2,318,802	2,466,602	2,497,852	2,595,491	2,622,538
10,859,783	12,690,160	15,680,183	15,864,278	15,779,154	15,641,289	15,645,150
10,942,857	12,766,190	15,755,548	15,956,043	15,885,300	15,751,289	15,749,616
511	555	680	689	685	679	679
9.000	9.000	7.550	9.1	9.35	10.00	10.00
10,574,706	12,102,102	14,635,630	14,524,552	15,033,941	14,778,847	14,886,903
96.64%	94.80%	92.9%	91.0%	94.6%	93.8%	94.5%
503,161	425,469	508,520	779,607	1,559,643	1,281,868	1,125,494
11,077,867	12,527,571	15,144,150	15,304,159	16,593,584	16,060,715	16,012,397
101.23%	98.13%	96.1%	95.9%	104.5%	102.0%	101.7%
103,792	62,357	232,101	564,020	470,970	298,248	420,709
4	3	10	24	20	13	18
8,472,582	8,550,262	13,386,265	12,734,048	12,618,906	11,952,730	11,292,724
395	372	577	549	544	516	487
1,876,520	2,275,552	3,651,333	3,473,634	3,283,182	3,080,481	2,877,007
489,000	456,000	421,000	385,000	346,000	305,000	260,000
2,593,777	2,428,579	6,054,701	5,756,480	6,015,641	5,744,287	5,457,945
3,513,236	3,390,131	3,259,231	3,118,934	2,974,083	2,822,962	2,697,772

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Financial Statistics

	1977	1978	1979
Public Utilities:			
Electric Light			
profit after operating & capital expenditures	400,000	400,000	800,000
Domestic Water and Irrigation			
profit (loss) after operating & capital expenditures	193,233	116,127	21,947
Sewer			
profit (loss) after operating & capital expenditures	91,826	81,315	3,010
General:			
Building Permits issued	10,838,035	11,107,968	18,850,388
Borrowing Power (net)	28,172,267	4,486,369	6,912,054

1980	1981	1982	1983	1984	1985	1986
702,212	731,283	742,109	914,927	1,401,414	1,209,471	1,244,112
46,106	(11,941)	(223,891)	47,415	146,014	46,347	93,779
88,402	13,090	(8,827)	37,671	49,370	130,476	228,696
33,780,930	47,642,124	15,507,396	10,849,146	14,124,691	9,625,167	21,303,353
7,364,909	7,043,298	15,013,715	17,119,618	18,653,054	17,863,275	18,116,080